

# A Morgan Stanley mutual fund that is focused on growth stocks and is beating the market by more than 30% this year has several large positions in health care and tech names, according to fund's most recent filing.

By Jesse Pound  
May 19, 2020

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The Insight Fund is run by **Dennis Lynch**, who is the head of Counterpoint Global at **Morgan Stanley** Investment Management. The fund has 38 stocks, and is heavily weighted toward the tech sector. It also had a 5.3% weight in cash at quarter end.

The firm's biggest position is in Amazon, the tech giant which has continued to grow during the pandemic. The 59,202 shares the fund had in Amazon as of quarter end would currently be worth around \$141 million.

Then there is Zoom. The video conferencing stock, which has exploded in recent months as workers and their employers have scrambled to figure out working from home en masse, was previously held in another Counterpoint Global product, Lynch said, but it was added to the Insight Fund during the fourth quarter of last year. It made up just under 5% of the fund's value as of March 31.

Zoom is not the only work-from-home stock where the Insight Fund has a large position. Slack accounted for 5.3% of the portfolio as of March 31, and MongoDB took up another 4.6%.

The fund's second largest sector is health care, accounting for 25% at the end of the first quarter. As of March 31 the fund's stakes in Intuitive Surgical, Illumina and NanoString Technologies totaled just under 10% of the total portfolio.

The growth of the health care sector makes it a natural target for the Insight Fund, Lynch said, but the investment team is careful to companies that aren't as exposed to potential regulatory changes.

**"We try to stick to companies that are less exposed to reimbursement risk but that add value hopefully long-term to the system by providing, in the case of genetic sequencing, research and innovation potential for people who are trying to benefit there," Lynch said.**

# Morgan Stanley

## INVESTMENT MANAGEMENT

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There is no assurance that a portfolio will achieve its investment objective. Portfolios are subject to market risk, which is the possibility that the market values of securities owned by the portfolio will decline and that the value of portfolio shares may therefore be less than what you paid for them. Market values can change daily due to economic and other events (e.g. natural disasters, health crises, terrorism, conflicts and social unrest) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g. portfolio liquidity) of events. Accordingly, you can lose money investing in this portfolio. Please be aware that this portfolio may be subject to certain additional risks. In general, **equities securities'** values also fluctuate in response to activities specific to a company. Investments in **foreign markets** entail special risks such as currency, political, economic, market and liquidity risks. The risks of investing in **emerging market countries** are greater than risks associated with investments in foreign developed countries. Stocks of **small- and medium-capitalization** companies entail special risks, such as limited product lines, markets and financial resources, and greater market volatility than securities of larger, more established companies. **Illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). **Derivative instruments** may disproportionately increase losses and have a significant impact on performance. They also may be subject to counterparty, liquidity, valuation, correlation and market risks. **Privately placed and restricted securities** may be subject to resale restrictions as well as a lack of publicly available information, which will increase their illiquidity and could adversely affect the ability to value and sell them (liquidity risk).

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**Morgan Stanley Insight Fund – Class I Shares**

Top Ten Holdings (% of Total Net Assets)	Fund	Russell 3000 Growth Index
Amazon.com Inc.	5.68	5.91
Slack Technologies Inc.	5.33	-
Veeva Systems Inc.	5.09	0.15
Shopify Inc.	5.04	-
Zoom Video Communications Inc.	4.92	-
Uber Technologies Inc.	4.85	0.02
MongoDB Inc.	4.64	0.04
Coupa Software Inc.	4.56	0.06
Okta Inc.	4.48	0.09
Spotify Technology S.A.	4.24	0.11
Sector Allocation (% of Total Net Assets)	Fund	Russell 3000 Growth Index
Information Technology	43.24	38.52
Health Care	25.26	16.18
Consumer Discretionary	11.66	13.81
Communication Services	10.35	11.12
Industrials	4.85	8.56
Other	0.23	--
Cash	5.32	--

As of March 31, 2020. Subject to change daily and are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities shown or securities within sectors shown above. Index data displayed is calculated using MSIM and/or other third-party methodologies and may differ from data published by the vendor.

Average Annual Total Returns as of March 31, 2020 – Class I Shares	YTD	1 year	5 Year	10 Year	Since Inception (7/28/1997)
CPODX (%)	-4.17	1.99	16.33	16.35	10.38
Russell 3000 Growth Index (%)	-14.85	-0.44	9.74	12.68	6.69

**Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit [morganstanley.com/im](http://morganstanley.com/im) or call 1-800-548-7786. Investment returns and principal value will fluctuate and fund shares, when redeemed, may be worth more or less than their original cost.**

The minimum initial investment is \$5,000,000 for Class I shares.

The gross expense ratio for the Insight Fund (Class I shares) is 0.91% and the net expense ratio is 0.91%. Where the net expense ratio is lower than the gross expense ratio, certain fees have been waived and/or expenses reimbursed. These waivers and/or reimbursements will continue for at least one year from the date of the applicable fund's current prospectus (unless otherwise noted in the applicable prospectus) or until such time as the fund's Board of Directors acts to discontinue all or a portion of such waivers and/or reimbursements. Absent such waivers and/or reimbursements, returns would have been lower. Expenses are based on the fund's current prospectus.

Returns are net of fees and assume the reinvestment of all dividends and income. Returns for less than one year are cumulative (not annualized). Performance of other share classes will vary.

**The Russell 3000 Growth Index** measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. **The Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Index is an index of approximately 1,000 of the largest U.S. companies based on a combination of market capitalization and current index membership.

The indexes are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index.

**Please consider the investment objective, risks, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information about the Fund. To obtain a prospectus, download one at [morganstanley.com/im](http://morganstanley.com/im) or call 1-800-548-7786. Please read the prospectus carefully before investing.**

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CRC 3104972 Exp. 6/30/2021